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June 29, 2004

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HAND DELIVERY

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

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JUN 29 2004

PUBLIC SERVICE
COMMISSION

RE: In the Matter of the Investigation Into the Membership of Louisville Gas and Electric Company and Kentucky Utilities Company in the Midwest Independent Transmission System Operator
Case No. 2003-00266

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten (10) copies of Louisville Gas and Electric Company's and Kentucky Utilities Company's Motion to Modify Procedural Schedule in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Very truly yours,


J. Gregory Cornett

JGC/ec
Enclosures
cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 29 2004

PUBLIC SERVICE
COMMISSION

In the Matter of:

**INVESTIGATION INTO THE)
MEMBERSHIP OF LOUISVILLE)
GAS AND ELECTRIC COMPANY)
AND KENTUCKY UTILITIES)
COMPANY IN THE MIDWEST)
INDEPENDENT TRANSMISSION)
SYSTEM OPERATOR)**

CASE NO. 2003-00266

MOTION OF KENTUCKY UTILITIES COMPANY AND
LOUISVILLE GAS AND ELECTRIC COMPANY TO
MODIFY PROCEDURAL SCHEDULE

Kentucky Utilities Company and Louisville Gas and Electric Company (collectively, the “Companies”) hereby move the Public Service Commission (“Commission”) to modify the procedural schedule in this case. In support of this Motion, the Companies state as follows:

By Order dated June 22, 2004, the Commission reopened the evidentiary record in this case and created a new procedural schedule. The new schedule requires the Companies to submit their direct testimony by July 8, 2004, and intervenors to file their direct testimony by July 29, 2004. Because the Companies wish to provide the Commission with an analysis which is as complete and thorough as possible, they request that the Commission extend the deadline for them to file testimony to September 8, 2004. Similarly, the intervenors should be granted an extension of three weeks beyond the Companies’ deadline for filing testimony by September 29, 2004.

This additional time is necessary to complete the cost-benefit, legal and other analyses needed to respond fully to the issues the Commission has ordered the Companies to address. This enlargement of time will allow the Companies to engage the appropriate expert(s) to undertake a cost-benefit analysis of the Companies’ participation in an RTO other than MISO, or

of operating as a standalone entity. Based on discussion with their outside expert, the Companies estimate that such an analysis would require, at a minimum, several weeks to complete, after which time the Companies would need time to digest the results and to draft and revise testimony. The Companies will also require an appreciable amount of time to fully analyze the Midwest Independent Transmission System Operator's ("MISO") Energy Markets Tariff ("EMT"), which the Federal Energy Regulatory Commission has accepted, but not yet approved, and prepare testimony thereon.

The Companies also request that the Commission grant the parties leave to conduct additional discovery in order to obtain the data necessary to their analyses. The Companies request that the Commission allow them to submit data requests to the intervenors on or before July 15, 2004, with responses due back from the intervenors on or before July 29, 2004. The Companies are also willing to respond to further discovery from the intervenors, and recommend that the Commission require the intervenors to submit their data requests to the Companies no later than August 5, 2004, and require the Companies to submit their responses to the intervenors no later than August 19, 2004.

The Companies further request that, just as the Commission allowed in the initial hearings in this case, the Commission grant the Companies leave to file rebuttal testimony, which testimony should be due on or before October 20, 2004. Rebuttal testimony is particularly important in this instance because MISO, having drafted the EMT on which the Commission has asked the Companies to submit testimony, may provide additional information in its testimony to which the Companies should be provided an opportunity to respond.

Finally, with regard to their motion to schedule an informal conference, filed with the Commission on June 22, 2004, the Companies request that the motion be remanded. If, after

conducting additional discovery, it appears that a informal conference is necessary or would be helpful, the Companies will ask that a conference be scheduled at that time.

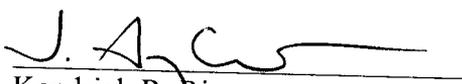
WHEREFORE, the Companies move the Commission to enter an order modifying the current procedural schedule in this case to: (1) set the following schedule:

LG&E and KU to submit data requests to intervenors	07/15/04
Intervenors to submit data responses to LG&E and KU	07/29/04
Intervenors to submit data requests to LG&E and KU	08/05/04
LG&E and KU to submit data responses to Intervenors	08/19/04
LG&E and KU to file testimony	09/08/04
Intervenors to file testimony	09/29/04
LG&E and KU to file rebuttal testimony	10/20/04

and (2) to remand the Companies' motion to schedule an informal conference.

Dated: June 29, 2004

Respectfully submitted,



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Counsel for Louisville Gas and Electric Company and Kentucky Utilities Company

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Motion to Modify Procedural Schedule was served via U.S. mail, first-class, postage prepaid, this 29th day of June 2004, upon the following persons:

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